



## Tax Incentives for Pollution Control Equipment

### **Sales Tax Exemption**

Facilities and equipment installed to eliminate or reduce air, water, or noise pollution and certified as pollution control facilities are exempt from the 6% state sales and use tax.

State statutes: KRS 139.480; 224.01-300.

### **Low Property Tax Rate**

Certified pollution control facilities are exempt from all local property taxes (county, city, schools, and special districts). A low state rate of \$0.15 per \$100 of assessed value applies.

State statutes: KRS 132.020; 132.200; 224.01-300.

### **Corporation Income Tax and License (Franchise) Tax Apportionment**

Property which has been certified as a pollution control facility, shall be excluded from the calculation of the property factor, when determining the division of income and division of capital of interstate business for tax purposes.

State statutes: KRS 141.120(8)(a); 136.070(3)(b); 224.01-300.

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